

INDICTED WAGNER BROKERS SOUGHT

War Secretar

Fraud Case Handling to Be Aired

Dismissed Air Service Investigator Testifies His Evidence Bearing on War Contracts Seized.

Weeks Holding Papers

Washington, April 3.—The senate Daugherty committee turned its inquiry today upon the War department, and concluded a three-hour session by summoning Secretary Weeks to appear before it tomorrow with specified documents relating to departmental handling of war fraud cases.

The committee listened to the story of Thomas F. Lane, a legal adviser to the army air service, who said he had been ordered a day or two ago "to stay away from the committee," and then had been dismissed from the service.

Lane said also that papers bearing upon his inquiry into war contracts, which he regarded as his own, were seized by Capt. W. F. Volandt, assistant chief of the army air service, who issued the "stay away" order. Captain Volandt, who was at once summoned before the committee, in the course of sharp interrogation by Senator Wheeler, democrat, Montana, the committee prosecutor, and other members, said he regarded Lane's papers as part of the official departmental files. He had turned them over to Secretary Weeks, he said, and the latter had sought an opinion as to their status from the judge advocate general.

Volandt denies charge. Senator Wheeler, in the examination of Captain Volandt, charged that the dismissal of Lane and the sequestration of his papers was "intended to cover up" the War department's handling of air fraud cases. This Volandt sharply denied.

The papers, Lane claimed, were for the most part copies of recommendations he made as to procedure the government should take against war contractors and Volandt stated that Secretary Weeks had asked the judge advocate general to give an opinion as to whether such copies were official records.

His order to Lane "to stay away from the committee," Volandt continued, was issued because the air service wished to "rush" preparation of claims against the Standard Aircraft corporation and the Mills-Overland company, that these might be sent to the Department of Justice for further action.

Although not in possession of his records, Lane described his own investigations and recommendations touching the Standard company, the Lincoln Motor corporation, and the American Bosch Magneto company, which had war contracts.

From the Standard company, controlled by Mitsui & Co., a New York subsidiary of a Japanese banking firm, he said, the government should have obtained repayment of about \$2,200,000. From the American Bosch Magneto company, he had recommended repayment of \$450,000, and from the Lincoln corporation he fixed the sum of \$9,500,000.

A compromise was made by the Department of Justice in the Lincoln Motors case, he said, over the formal protest of the War department, for \$1,500,000, after the company had gone into receivership. From the others, he added, nothing had been obtained, and against them no action had been instituted.

Lane's story as to the Standard company covered ground previously entered upon by the Daugherty inquiry. The results he directed Mitsui & Co. had invested \$5,500,000 in the Standard company, and got that all back and a "profit" of \$600,000 or \$700,000. A part of the money the Mitsui company considered invested, he said, was \$1,619,000, which it lost before the war in financing a manufacturing plant in Plainfield, N. J.

We Have With Us Today

Frank Branch Riley, Portland Ore. Lawyer.

Nearly 40 years ago Frank Riley was born in Oregon, Ia. There he spent his early childhood.

As a young man he went west and became attracted by the vastness of that section of the United States. After academic training at Leland Stanford university he went to Harvard and received his degree in law. After graduation from Harvard he returned to the west and settled in Portland.

Although the succeeding years have been spent in the practice of law, Mr. Riley has found time to study and learn to know his country. He is a "northwest enthusiast" and spends a great deal of his time traveling about the country lecturing on the beauties of the mountains and rivers of Oregon and Washington.

Had You caused the Great Political Reformation the Women Voters Have Effectuated?



Flood at Gordon Rapidly Receding

Residents Believe Danger Has Passed—Northwestern Tracks Damaged.

Norfolk, Neb., April 3.—After having experienced one of the worst floods in 23 years, last night and this morning, Gordon, Neb., this afternoon was getting back to normal conditions. Water that covered the north part of the town this morning had receded this afternoon and no further rise was expected, according to a special dispatch to the Norfolk Daily News.

Rapid melting of snow due to several days of spring-like weather caused Antelope creek at Gordon to overflow and inundate the north part of the town last night causing damage to streets and sidewalks and filling basements and cellars in that part of the city. A further rise of the water early this morning caused considerable anxiety but it was believed this afternoon that all danger had passed. Ice, in the creek went out last night it was believed that most of the snow in adjoining sites was gone.

Slight damage was also caused to the Northwestern railroad tracks in that vicinity, but with the aid of pile drivers and crews from Chadron repairs were made and traffic was back to normal this afternoon.

NEW ATTORNEY GENERAL MUM

New York, April 3.—"The office of the attorney general of the United States is a position without politics attached to it."

This epigram summed up the first interview granted by Harlan Fiske Stone, President Coolidge's new cabinet member, who will replace Harry M. Daugherty.

"No sensible man can tell what he will do in office until he studies the conditions of the post," he said finally after meeting numerous queries as to his future course with silence. "I can't possibly have anything to say about the policies of the attorney general or the administration."

Board Paroles Convict; Kansas Officers Grab Him

Lincoln, April 3.—Fred Kelp, serving one to 20-year sentence at the state penitentiary here for forgery from Dawson county, was released today to the state prison there. He was one of the applicants for parole at the last meeting of that board and the board acted favorably. Just as he was about to be released it was found that he was wanted in Kansas.

His Home in Flames When He Voiced Lack of Interest in Fires

Columbus, Neb., April 3.—"I'm through running to fires; they don't interest me any more," declared John Steinhouser, shoe repair man and former fireman, as he stood on the street watching the fire department make a run into the north side residence district. A half hour later Steinhouser learned that his home had been gutted by flames while the family was downtown and that only a little of the furniture had been saved. Defective wiring caused the fire.

FEDERAL RESERVE REPORT ISSUED

Washington, April 3.—Combined resources and liabilities of the 12 federal reserve banks at the close of business April 2 were reported tonight by the federal reserve board in thousands of dollars, as follows:

Resources: Total gold reserves, \$3,091,767; reserves other than gold, \$9,564; total reserves, \$3,191,331. Total United States government securities, \$264,855; total resources, \$4,909,555.

Liabilities: Total deposits to deposit and federal reserve note liability combined, 78.5 per cent.

Contingent liability on bills purchased for foreign correspondents, \$11,230.

THIRTEEN CLUB ELECTS WILBUR

Washington, April 3.—Secretary of the Navy Wilbur has been elected to the "Thirteen club," founded several years ago by Woodrow Wilson and others who consider that man lucky.

The secretary of the organization, writing from Boston, advised Wilbur of his election, saying that the name "Curtis D. Wilbur," contained the requisite number of letters and in other respects the new head of the navy was eminently qualified.

Jap Exclusion Asked.

Washington, April 3.—Exclusion of all Japanese from the United States was proposed in an amendment offered to the immigration bill drafted by the senate immigration committee when consideration of the measure was begun in the senate.

Alcohol Deaths Now 19.

Toledo, O., April 3.—Denatured alcohol and poisoned liquor continued to take its death toll here with three additional fatalities today and "last night," bringing the total number of victims to 19.

Effort Made to Cheat Dairymen

Outside Dealers Are Offering Scrub Cattle for Sale, Warns Carl Gray.

Word that dealers in other states, particularly Wisconsin, were seeking to sell scrub dairy cattle to Nebraska farmers has brought a warning from the Nebraska Dairy Development society.

Carl R. Gray, president of the society, issued a statement on Thursday covering this point.

"The society does not sponsor the wholesale importation of dairy cattle into Nebraska," said Mr. Gray. "Nor does it endorse the speculative dealing in dairy cattle. Farmers should use caution in purchasing dairy cattle to ascertain as to the methods of selection, tuberculin testing and handling by those who bring them into the state."

"The Nebraska Dairy Development society has as its purpose the orderly improvement and development of dairying as an essential feature of diversified farming. In such a program first efforts will be made to improve the production of dairy cattle by the use of good, purebred dairy sires. Improved stock will therefore be raised in Nebraska by Nebraskaans using the plentiful Nebraska feeds. Combined with improved breeding should go better feeding and care."

"It is believed that the present production can be increased 50 per cent by following efficient methods of feeding and care with the cows now on the farm. The society hopes to help bring information regarding better methods to every person milking cows."

MOTHER KILLED BY YOUTH OF 15

Montreal, April 3.—Rudolph Trudeau, 15, accidentally killed his mother Wednesday, when a pistol he was examining was discharged.

Young Trudeau told detectives that his mother snatched faintly at him as she died and this he interpreted as a desire on her part to assure him that she knew the fatality was an accident.

Accused Slayer Identified.

Chicago, April 3.—Russell Scott, alleged confessed participant in the loop drug store holdup last night, in which Joseph Maier, 20, clerk, was slain, was identified at the detective bureau late this afternoon, police say, as the Detroit "millionaire," who a year ago promoted the \$30,000,000 Detroit-Windsor International Bridge Construction Trust, which failed for \$2,000,000.

Congress to Pass Wheat Relief Bill

—N. B. Urdike

Country Tired of Investigations and Congress Expected to Take Up Agricultural Measures.

U.S. to Buy Farm Surplus

Nelson B. Urdike returned Thursday from a 10-day visit in Washington, convinced that senators and congressmen are themselves getting tired of investigations. He also feels that something tangible for the help of the farmers will be passed before the adjournment of congress.

"It is the general opinion in Washington, concurred in by congressmen and senators," said Mr. Urdike, that the "people of the United States are becoming disgusted with so many investigations, especially those that plainly show they are started for political purposes rather than for the purpose of cleaning up a bad condition. They think that the investigations now in progress will be closed as soon as practical and that it will be difficult to start others without real cause."

"There is also a general understanding that it is the duty of congress at this session to pass legislation that will be of real benefit to the farmer. This legislation will have for its purpose the securing of a price more in line with the price of what the farmer is compelled to purchase. The details of this proposed legislation centers in the price of wheat."

Ship Wheat Abroad. "There is a strong sentiment that the quickest and easiest way to at least partly adjust the price of wheat is for the government to purchase whatever surplus wheat there is now in the United States and ship it abroad, selling it on the best terms possible. It is stated that this would mean a loss to the government but at the same time, it is felt that the government should take this loss, if necessary, in order to accomplish its purpose."

"You hear more talk, however, about the McNary-Haugen bill now before both the house and senate, than any other measure. This bill is largely, if not entirely, the result of the work of a committee of private citizens interested in the welfare of the wheat raisers of the United States."

"In order that it may be met with more favor, farm products other than wheat have been written into the bill. It is very difficult to figure how the principles of this bill could be carried with all of the products named in the bill."

Bill Is Practical. "The friends of the bill claim, and I think with a good deal of reason, that it is practical and could be easily worked out so far as wheat is concerned. It gives the wheat raiser a method by which he, himself, can secure a better price for wheat without disturbing, to any great extent, the present methods and facilities for handling it."

"For instance, if the United States raises 1,000,000,000 bushels of wheat and the home requirement is only (Turn to Page Two, Column Four.)

OIL PIPE STREAM REACHES KEARNEY

Kearney, Neb., April 3.—Creeping along at a rate of about one and a quarter miles an hour, the regular flow of oil in the Sinclair Oil company pipe line between Teapot Dome and Kearney, reached Kearney, the halfway mark, shortly after the noon hour today. The big pumps here were all in readiness to receive the flow, a portion of which was promptly diverted to the storage tanks for use as fuel at the pumping station.

According to officials of the company stationed at district headquarters here no trouble has been experienced along the line taken. Oil will be pumped uninterruptedly 24 hours a day and will attain a speed of seven miles an hour, under pressure, once a regular movement is established.

It is said the outcome of the Sinclair leases of naval oil lands in the Teapot Dome field will have no effect on the operation of the pipe line.

More Subpoenas Out.

Washington, April 3.—Subpoenas were issued today by the senate oil committee for the appearance here next Monday of J. B. French of Oklahoma City, Okla., and Robert F. Wolfe of Columbus, editor of the Ohio State Journal. Both will be questioned as to gossip about oil deals at the republican national convention in 1920.

Roads Bill Passes.

Washington, April 3.—Appropriation of \$2,200,000 for the construction of roads and trails in national parks was authorized by the senate today. The bill already had passed the house.

Maine Instructs 15 Delegates to Secure Coolidge Nomination

Northeastern State Sets Aside Old Custom to Further President's Cause—Connecticut's 17 Prepared to Vote for Him at Convention.

Portland, Me., April 3.—The republican state convention today voted to instruct its 15 delegates to the national convention at Cleveland to "use every honorable effort to secure the nomination of Calvin Coolidge for president of the United States."

This action was taken after delegates and alternates known to be favorable to Mr. Coolidge had been selected. Instructions never had been given previously by republican state conventions in Maine except in the cases of two "favorite sons," and once in the Fourth district for former President Roosevelt.

Hartford, Conn., April 3.—Connecticut's delegation of 17 to the national republican convention at Cleveland in June, selected at the state republican convention here today, will be an uninstructed delegation, but its members will be prepared to vote for Calvin Coolidge for the presidential nomination. At the national convention four years ago it was the Connecticut delegation which early declared for Mr. Coolidge for vice president and it was J. Henry Roraback, national committeeman from this state, who presented Mr. Coolidge's name. Mr. Roraback today headed the list of delegates-at-large chosen, and he was re-elected chairman of the new state committee. He will be again elected national committeeman by the Connecticut delegation as it proceeds toward Cleveland.

Ex-Nebraskan on Flight to Study Storm Currents

Former Lincoln Man and Army Officer Drifting Over Middle West in Balloon.

Scott Field, Belleville, Ill., April 3.—No word has been received from Dr. C. Leroy Melsinger, formerly of Lincoln, Neb., now of the central office of the United States weather bureau, and Lieut. J. A. Lawson, who are drifting in a balloon somewhere over the middle-west today, studying storm currents at high altitudes. It was announced here this afternoon.

Both men cast off here Tuesday evening, and had food supplies for three days. They took carrier pigeons with them and had radio instruments.

When last seen they were drifting east at a height of 10,000 feet.

U.S. FLIERS READY TO HOP OFF TODAY

Seattle, Wash., April 3.—Although weather conditions as reported for 600 miles north of Seattle were not considered perfect today, Maj. Frederick L. Martin, commanding a squadron of four planes of the United States army engaged in a circumnavigation of the globe, said: "We expect to be on our way tomorrow."

The weather, it was stated, had shown improvement since yesterday on the marine route to Prince Rupert, B. C., over which the next jump is to be made, and the machines were in order for the trip.

The hour set for departure was 6:30 tomorrow morning.

QUAKE FRIGHTENS SHOW AUDIENCES

San Francisco, April 3.—A slight earthquake shock was felt in the San Francisco bay region a few minutes before 4 today. No damage was reported.

SANITARIUM FIRE CAUSES 2 DEATHS

Morgantown, N. C., April 3.—At least two patients of the Broad Oaks sanitarium here were burned to death when fire destroyed one wing of the building. Two bodies have been recovered from the ruins and officials believe that two or three others lost their lives.

Secretary Opposes United Army and Navy Air Service

Washington, April 3.—Secretary Wilbur is opposed to any project which contemplates a united army and navy air service, he announced today. The naval secretary said, however, that he favored the fullest possible co-operation between the two services in both tactical and administrative problems.

Under Secretary of State's Daughter Will Go on Stage

London, April 3.—Miss Elizabeth Ponsonby, daughter of the under-secretary of state for foreign affairs, is booked to appear in Guy Bolton's farce, "Tolly Preferred," at the Royal Alhambra theater.

Last week Miss Ponsonby made her debut as a mannequin in the fashion parades.

The Weather

Precipitation, inches and hundredths: Total, 6. Total since January 1, 1923: 68.00.

Iowa Democratic Delegates Will Go Uninstructed

Majority Said to Favor McAdoo—Herring Wins From Marsh for National Committeeman.

Davenport, Ia., April 3.—An Iowa delegation to the democratic national convention in New York, declared to be favorable in the main to the presidential candidacy of William G. McAdoo, but uninstructed, was selected by the democratic state delegate convention here today.

The convention also named a delegation favorable to the candidacy of Clyde L. Herring of Des Moines, Ia., as national committeeman and adopted resolutions pledging agriculture a greater measure of relief, supporting adjusted compensation for world war veterans, welcoming labor into the councils of the party and criticizing severely leaders of the republican administration for what was termed "a betrayal of the people in the administration of the nation's affairs."

The convention was the most spectacular ever held by the party in Iowa, a sharp division over selection of delegates-at-large deadlocking proceedings and making it necessary to adjourn for a day. Herring, until tonight a scheduled meeting for the selection of a slate of candidates for minor state and congressional officers.

Majority Favor McAdoo. No proposal was brought before the convention for an instructed delegation to the national convention.

This, McAdoo leaders explained, was not an indication of lack of McAdoo sentiment. The resolution was withheld, it was said, in deference to the wishes of a large number of McAdoo supporters, who believed the hands of the delegates should not be tied.

The supporters of Mr. Herring were unanimous in declaring a majority of Iowa's delegates were favorable to McAdoo, and succeeded in putting through a resolution instructing the delegates to vote as a unit.

Likewise, no mention was made of endorsing candidates for vice president, although a number of delegates desired to put through an honorary resolution on behalf of E. T. Meredith, former secretary of agriculture.

"Dawn of New Order." The victory of Mr. Herring over national committeeman Wilbur W. Marsh of Waterloo, who has held that office for 10 years, signified, the Herring leaders declared, "the beginning of a new democratic organization in Iowa."

In a statement shortly after his election was announced, Mr. Herring declared the party in this state, under his leadership, would constitute "a militant, progressive organization" in opposition party as conducted that it will be a force for clean politics and democratic rule, even though it may not hold the reins of government.

The delegates-at-large chosen were regarded as a compromise between the Marsh and Herring factions, but will not materially change support to Herring of the entire delegation. Herring claimed 17 of the 22 district delegates and five of the delegates-at-large were said to favor him for national committeeman.

Delegates-at-Large.

The delegation-at-large includes: E. T. Meredith, Des Moines; Michael P. Healy, Fort Dodge; E. J. Feuling, state chairman, of New Hampton; Miss Ann B. Lawlor, Dubuque; Miss Jennie G. Corlette, Okla.; Dr. J. W. Reynolds, Creston; George McKota, Cedar Rapids, and Claude Porter, Centerville. J. Ray Files of Fort Dodge, the party's last candidate for governor, and Dan Stech of Ottumwa, a probable candidate for United States senator, were placed upon district delegations.

The convention did not endorse a candidate for national committeewoman under the \$500 rule, which becomes effective in June.

Bucketing of Orders is Charged

Warrants Issued for Representatives of New York Exchange Company Which Failed for \$10,000,000

Firm Had Branches Here

E. W. Wagner & Co., prior to its failure, maintained two branches in Omaha, one in the Omaha Grain Exchange building and the other in the Hotel Fontenelle.

Although the company did an extensive business here, no one in the city suffered an appreciable loss through the crash.

New York, April 3.—Detectives left for Chicago tonight with bench warrants, in search of four men against whom a grand jury today returned 30 indictments for bucketing orders of the New York stock exchange firm of E. W. Wagner & Co., which closed its offices in 41 cities in December, 1921, and failed for \$10,000,000.

The bench warrants named Emil W. Wagner, directing head of the firm; Frank W. Donaldson, manager of its main office at Chicago; Charles A. Johnson, manager of its New York branches; and Ernest Tietjen, the concern's chief financial adviser.

Members of the district attorney's staff have gone to Albany to prepare extradition papers in expectation that the quartet will flight removal to New York for trial.

Operates in Many Cities.

E. W. Wagner & Co., was one of the most active brokerage firms in America. It had membership in the New York stock exchange, the New York cotton exchange and the Chicago board of trade. With a main office in Chicago and two branches in New York, it operated in 39 other big cities. Its private wire system was noted. Two years before the house failed it distributed among its employees \$300,000 in Christmas bonuses.

The indictments charge that heads of the firm swindled its customers by trading against them through a system of 12 "house accounts."

"Colossal sums were alleged to have passed through these accounts. Investigators for the district and federal attorney were reported to have told the grand jury that in two years of delving through as many of the firm's records as they could find, they were unable even to estimate the extent of its transactions. One house account alone was "short" \$20,000,000 at one time, they testified.

Records Missing. Authorities declared before General Sessions Judge McIntyre, in whose court the grand jury presented the indictments, that records most valuable to the prosecution were missing.

Detectives, who went to Chicago to investigate reports that some of the firm's ledgers had been destroyed, returned saying the records had been sold for junk and transformed into paper pulp.

There were 30 complaints against heads of the bankrupt brokerage company—men and women in all walks of life.

The Amours of Chicago and Charles Chaplin were said to have been customers of the bankrupts. Morris Friedberg, Detroit jeweler, claimed to have been swindled of \$400,000 in a deal for Willys-Overland stock. William H. Bohremer charged he was defrauded of thousands of dollars in a Famous Players-Lasky corporation stock transactions.

Order Bucketed, Claim. Thomas K. Morris of Syracuse accused the Wagner concern of bucketing his order for Baldwin Locomotive shares. J. J. O'Brien of this city said he had been similarly defrauded in the purchase of 1,500 shares of United States Steel.

Sixteen months after the failure, John S. Sheppard, receiver for the bankrupts, submitted a plan for settling with creditors for 50 per cent of their claims in cash and 50 per cent in notes of a corporation to be organized to realize on "slow" assets the firm was believed to possess.

Summary of The Day In Washington

A house committee began hearings on the advisability of amending section 25 of the merchant marine act.

Secretary Mellon concluded his testimony on taxes in a three-hour session of the senate finance committee.

President Coolidge conferred with his advisory committee on coordination of rail and water transportation.

Dr. Elwood Mead of Berkeley, Cal., was appointed by Secretary Work, commissioner of the bureau of reclamation.

The senate committee investigating alleged Texas land frauds resumed its hearings and received a batch of documentary evidence. Subpoenas were issued by the senate oil committee for J. B. French of Oklahoma City and Robert F. Wolfe of Columbus, O., who will be questioned as to gossip about oil deals at the 1920 republican convention.